

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 09900 250034Z

12

ACTION NEA-12

INFO OCT-01 EUR-25 ADP-00 AGR-20 EB-11 COME-00 AID-20

TRSE-00 OMB-01 CIAE-00 DODE-00 INR-10 NSAE-00 PA-03

RSC-01 USIA-15 PRS-01 RSR-01 /121 W

----- 050076

R 242135Z AUG 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 6381

INFO AMEMBASSY ISLAMABAD

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 9900

PASS AGRICULTURE

E. O. 11652: N/A

TAGS: EAGR,IN

SUBJECT: FODDGRAIN SUPPLIES

REF: A) STATE 165146 B) NEW DELHI 9606

BEGIN SUMMARY - WE BELIEVE INDIA WILL SQUEEZE THROUGH UNTIL THE NOVEMBER KHARIF HARVEST WITH FOOD SUPPLIES NOW IN SIGHT, BUT WITH INCREASED DIFFICULTIES. FURTHER SHARP REDUCTIONS IN THE AMOUNT OF FOODGRAINS AVAILABLE AT RETAIL OUTLETS ARE EXPECTED TO RESULT IN MORE DEMONSTRATIONS AND FOOD RIOTS THAN IN PREVIOUS MONTHS AND AGGRAVATE LABOR UNREST. END SUMMARY.

1. RE REFTEL A, WITH FOODGRAIN STOCKS NOW AVAILABLE PLUS IMPORTS THAT WILL ARRIVE BEFORE THE FALL HARVEST, WE BELIEVE INDIA WILL BE ABLE TO SQUEEZE THROUGH, BUT WITH CONSIDERABLE DIFFICULTY. ALONG WITH MORE BELT TIGHTENING THROUGHOUT THE COUNTRY WE EXPECT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 09900 250034Z

MORE DEMONSTRATIONS, LABOR UNREST AND FOOD RIOTS IN THE WEEKS

AHEAD. OCTOBER IS EXPECTED TO BE MOST DIFFICULT PERIOD.

2. OFFICIAL DATA ON GOVERNMENT OWNED FOODGRAIN SUPPLIES NOT AVAILABLE. EMBOFF INFORMED UNOFFICIALLY THAT FOOD GRAIN SUPPLIS IN LATTER PART OF JULY TOTALED 2.4 MILLION METRIC TONS PLUS ABOUT 1.9 MILLION TONS IN DISTRIBUTION CHANNELS. IT IS ESTIMATED THAT ABOUT 1.9 MILLION TONS OF GRAIN WILL ARRIVE BY NOVEMBER 1 FROM RECENT PURCHASES WHICH WILL BARELY MAINTAIN SUPPLY LINES AND PERMIT THE DISTRIBUTION OF 2.4 MILLION TONS. THIS IMPLIES A DISTRIBUTION OF 800,000 TONS PER MONTH FOR THE AUGUST-OCTOBER PERIOD COMPARED TO ABOUT 1.2 MILLION TONS IN RECENT MONTHS.

3. IN DISTRIBUTING AVAILABLE FOOD SUPPLIES GOI IS GIVING PRIORITY TO URBAN CENTERS AND IS RELYING HEAVILY UPON IGENUITY OF RURAL POPULATION TO MANAGE FOR THEMSELVES. LATTER POSSIBILITY HAS BEEN FACILITATED BY GOOD RAINS IN RECENT WEEKS WHICH HAVE SHAPRLY INCREASED THE SUPPLY OF FRESH VEGETABLES AND SOME FRUITS. ALSO IN SOUTH AND CENTRAL INDIA SMALL QUANTITIES OF EARLY MATURING COARSE GRAINS WILL BECOME AVAILABLE IN OCTOBER WHICH WILL HELP BRIDGE THE FOODGRAIN GAP PARTICULARLY IN RURAL AREAS.

4. GOI IS QUIETLY CHECKING WITH RICE EXPORTING COUNTRIES IN AN EFFORT TO PURCHASE FROM 100 - 300,000 TONS OF RICE FOR IMMEDIATE SHIPMENT. TYPE AND GRADE OF RICE ARE NOT LIMITING FACTORS. GOI WILL ACCEPT COARSE AND BROKEN RICE IF SUPPLIES ARE AVAILABLE AT MUTUALLY AGREEABLE PRICES. THERE ARE NO INDICATIONS THAT GOI WILL RE-ENTER WORLD WHEAT MARKET AT PRESENT HIGH PRICES.

5. INDIA IS MORE ACCUSTOMED THAN MOST COUNTRIES IN ADJUSTING TO WIDE VARIATIONS IN AVAILABLE FOOD SUPPLIES. IN RECENT YEARS, FOR EXAMPLE, THE GROSS PER CAPITA AVAILABILITY OF FOODGRAINS HAS RANGED FROM A LOW OF ABOUT 170 KGS. PER PERSON PER YEAR IN 1966-67 TO ABOUT 195 KGS. PER PERSON PER YEAR IN 1970-71.

6. DURING THE PAST WEEK SEVERAL STATE GOVERNMENTS INCLUDING THE UNION TERRITORY OF DELHI HAVE IMPOSED DEFENSE OF INDIA RULES (DIR) BY ESTABLISHING MAXIMUM RETAIL PRICES FOR FOODGRAINS AND SEVERAL OTHER ESSENTIAL COMMODITIES. VIOLATORS OF DIR ARE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 09900 250034Z

SUBJECT TO SEVERE PUNISHMENT. OUR CONGEN IN BOMBAY REPORTS THAT ABOUT ONE DOZEN ARRESTS ARE BEING MADE EACH DAY FOR VIOLATING PRICE CEILINGS.

7. IN SPITE OF CONTINUING EFFORTS BY THE CENTRAL AND STATE GOVERNMENTS, TOTAL DOMESTIC PROCUREMENT OF WHEAT AS OF AUGUST 22 WAS ONLY 4.37 MILLION METRIC TONS, WELL BELOW THE 8.0 MILLION TON TARGET.

8. IN RESPONSE TO COMPLAINTS OF LARGE LOSSES OF IMPORTED FOODGRAINS IN TRANSIT AND AT THE BOMBAY PORT, MINISTER OF AGRICULTURE AHMED INFORMED PARLIAMENT ON AUGUST 22 THAT ONLY 1400 TONS OF GRAIN HAD BEEN DAMAGED SO FAR THIS YEAR IN TRANSIT AND THAT DAMAGE CLAIMS WERE MADE AGAINST SHIPPING AGENTS WHICH WERE SUBSEQUENTLY PAID.

9. MONSOON RAINS CONTINUED GENERALLY GOOD OVER MOST PARTS OF INDIA. SOME FLOOD DAMAGE REPORTED IN NORTHERN AND EASTERN INDIA WHICH THUS FAR IS NOT CONSIDERED UNUSUALLY SERIOUS.

10. POULTRY FARMERS THROUGHTOUT INDIA ARE COMPLAINING OF SCARCITY OF HIGH PRICES OF FEEDS. IN SOME AREAS LAYING FLOCKS HAVE BEEN SOLD BECAUSE OF HIGH FEED PRICES. IN OTHER AREAS WHERE EGGS HAVE BEEN INCLUDED AMONG FOOD ITEMS UNDER PRICE CELINGS, POULTRY FARMERS CLAIM THEY ARE OPERATING AT A LOSS AND WILL BE FORCED TO DISPOSE OFF THEIR LAYING FLOCKS UNLESS FEED SUPPLIES AT REASONABLE PRICES CAN BE PROVIDED.

11. THIS MESSAGE IS IN LIEU OF REGULAR WEEK END REVIEW OF THE FOODGRAIN SITUATION.
MOYNIHAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOD SHORTAGE, GRAINS, AGRICULTURAL IMPORTS, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NEWDE09900
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730817/aaaaamff.tel
Line Count: 138
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) STATE 165146 B) NEW DELHI 9606
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Dec-2001 by kelleyw0>; APPROVED <10-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FODDGRAIN SUPPLIES
TAGS: EAGR, IN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005